

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6434

BILL NUMBER: SB 136

NOTE PREPARED: Feb 19, 2009

BILL AMENDED: Feb 5, 2009

SUBJECT: Indiana Businesses.

FIRST AUTHOR: Sen. Charbonneau

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill removes the expiration date of a provision concerning certain purchasing preferences for certain businesses.

Effective Date: July 1, 2009.

Explanation of State Expenditures: According to the Indiana Department of Administration, (IDOA), the purchasing preferences are awarded during the evaluation of bids and are a factor in determining who will be awarded contracts. The actual bid price does not change. If the provisions for price preferences expired, then state expenditures could decrease, but it is unknown to what extent.

Background Information - Current statute provides for the following price preferences for supplies purchased by state agencies from Indiana businesses:

- (1) 5% for purchases less than \$500,000;
- (2) 3% for purchases at least \$500,000 but less than \$1 M; and
- (3) 1% for purchases expected to be at least \$1 M.

Also, a state agency may award a contract to the lowest and responsive offeror, regardless of the above preferences, if they are an Indiana business or a business from a state that borders Indiana and does not provide a preference more favorable than Indiana.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IDOA.

Local Agencies Affected:

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